

Fall 2000

A Careful Balance: Courts' Struggle to Reconcile Statutory Language and Constitutional Intent Relative to Copyright Heritability

Amanda Pustilnik[†]

Cite as: 3 YALE SYMP. L. & TECH. 7 (2000)
<http://lawtech.law.yale.edu/symposium/00/note_pustilnik.htm>

I. INTRODUCTION

^{¶1} From the 1920s to the 1950s, Billy Strayhorn created some of the best known works of the jazz era. On his own and in collaboration with Duke Ellington, Strayhorn composed and performed classics including "Take the 'A' Train," "Chelsea Bridge," and "A Flower is a Lovesome Thing." While these works have been popular globally since their composition, recently they have commanded intense interest in an unusual venue—the District Court for the Southern District of New York. The case of *Music Sales Corp. v. Morris* pitted two music publishing companies, Music Sales Corp., and Tempo Music Corp., the plaintiffs, against Strayhorn's estate and surviving relatives, the defendants.¹ At stake for the parties was the control of the recently extended term of copyrights in the most valuable of the Strayhorn compositions. At stake in the case more broadly is the issue of how courts assess the validity of claims raised under the 1976 Copyright Act (the 1976 Act),² as modified by the 1998 Sonny Bono Copyright Term Extension Act (the Bono Act),³ by claimants distant from or unrelated to the artist. The artist and his or her immediate family are the intended beneficiaries of the limited monopoly of intellectual property rights authorized by the Copyright Clause.⁴

^{¶2} *Music Sales* is representative of the types of copyright termination actions that courts will encounter increasingly as important works reach the stage of their copyright terms where, under section 304 of the 1976 Act, it is possible for certain stakeholders to rescind assignments and licenses held by commercial third parties. The ability of these stakeholders to unilaterally rescind assignments and licenses has increased in significance since the 1976 Act was modified by passage of the Bono Act in 1998. The Bono Act added twenty years of valuable copyright protection to works that otherwise would have lapsed into the public domain, creating an incentive for these parties to exercise their right to rescind assignments and licenses to third parties. In adjudicating the dispute between the music publishers and the Strayhorn estate, the district court in *Music Sales* determined which parties would receive the windfall of the additional twenty years of copyright protection.

^{¶3} Although the court in *Music Sales* had to determine which of the named parties would receive the value represented by the additional term, there is an additional, unnamed stakeholder at whose expense the windfall has been created—the public, to whom the value of these works would have accrued in the absence of the Bono Act's copyright term extension. The time-limited benefits authorized by the Copyright Clause provide incentives to artists and authors to produce creative works, and ensure that ultimately these works will enrich the public domain.⁵ The Bono Act extends the duration of copyrights in a manner independent of incentives for original authors. First, the benefits of the extended term accrue to parties tangentially related or unrelated to the author. Even if

accrual of benefits to the author's kin creates an incentive to authors, the accrual of benefits to unrelated parties does not provide an incentive. Second, the Bono Act extends the term of protection for works that have already been created; thus, the legal right is granted at a point where the incentive issue is moot.

⁹⁴ This conflict between the 1976 Copyright Act and the Copyright Clause has not gone unnoticed: two months after the *Music Sales* decision, a D.C. district court squarely considered the question of the conflict between the ideology of the Copyright Clause and the effects of the 1976 Act. In *Eldred v. Reno*, the district court considered a challenge to the Bono Act based upon (1) the Act's failure to provide any incentive-related basis for copyright extension and (2) the Act's concomitant reduction of materials available for consumption in the public domain.⁶ This case, brought by advocates of greater intellectual property freedom including the Berkman Center for Internet and Society at Harvard⁷ and the Eldritch Press, a non-profit Web publisher of HTML versions of literary works,⁸ provoked the court to confront directly the statutory-Copyright Clause tensions implicit in *Music Sales*. Additionally, plaintiffs raised the argument that, by extending monopolies on copyrighted works, the Bono Act violates the First Amendment insofar as it reduces or restricts the amount of speech available for public use.⁹ In a remarkably brief summary judgment opinion, the district court ruled that there are no constitutional issues presented by the 1976 Act as modified by the Bono Act—in effect, no conflict between the language and intent of the Copyright Clause, the First Amendment, and the Copyright Act.

⁹⁵ The provocative questions raised in the *Music Sales* opinion and dismissed by the *Eldred* court must be examined through close attention to the language of the current Copyright Act, its historical origins, and the concerns that have motivated U.S. copyright policy since its inception. This essay analyzes these historical and textual factors in relation to salient aspects of the *Music Sales* decision. It concludes that *Music Sales*, in effectuating the inheritance provisions of section 304(a)(1)(C) of the 1976 Act, gives appropriate effect to the language and history of the 1976 Act. In favoring the artist's beneficiaries (defendants) over the music publishing companies (plaintiffs), the *Music Sales* decision secures benefits to the artist's estate in preference to the commercial promoter. This essay further concludes, however, that the 1976 Act, as modified by the 1998 Bono Act, might require courts to produce results dissonant with the original intent underlying the copyright regime. By securing benefit to authors and artists, and their families, the current statute appears to provide an incentive for the production of creative works. However, it may confer benefits on parties only tenuously connected to the artist in time and familial relationship and therefore beyond the scope of beneficiaries intended to profit from intellectual property rights. The final section of this essay will briefly present the *Eldred* decision and analyze its implications—namely, that more courts will be bound to effect the same difficult, if not disingenuous, reconciliation between the Clause and the statute, allocating the spoils of the extended term in ways that neither incent the creation of additional creative works nor enrich the discourses that depend upon them.

⁹⁶ Part I of this essay will briefly set forth the issue presented in *Music Sales* and the relevant facts. Part II will examine aspects of the origins and structure of the copyright provisions relevant to this dispute. Part III will analyze the questions posed by *Music Sales* in light of the analysis of these provisions. Part IV will discuss the *Eldred* decision and explore the implications of the *Eldred* and *Music Sales* decisions for copyright jurisprudence.

II. FACTS OF *MUSIC SALES*

A. Issue Presented

⁹⁷ The specific issue that the parties in *Music Sales* presented for resolution was whether the executor of an artist's estate could inherit title to copyrights in compositions under the inheritance provisions of section 304(a)(1)(C) of the 1976 Copyright Act.¹⁰ This apparently straight-forward

issue reveals problems that challenge the operation of the 1976 Act, as modified by the Bono Act, at its major structural points: the assignability of renewal expectancies, the transferability of renewal rights, the assumption of renewal and termination rights by statutory heirs, identity of the statutory heirs, and the prerogatives of the statutory heir where the heir is an executor. The *Music Sales* decision demonstrates the struggle that courts face in attempting to harmonize the mandate of the Copyright Clause—to provide incentives for authors and artists by securing financial rewards to them and their direct families—and the 1976 Act as modified by the Bono Act, which allocates property interests in artistic works in a way that provides no incentive to the artist and removes work from the public domain.

B. *Relevant Facts*

⁹⁸ The dispute between the parties concerned the works of Billy Strayhorn (1915-1967), who composed and performed hundreds of jazz songs during his lifetime.¹¹ Throughout the 1940s, Strayhorn received copyright registrations in various of his works.¹² In 1962, Strayhorn executed an agreement with Tempo, a music publisher, assigning to Tempo whatever interests he held in the renewal rights of the compositions. Strayhorn's parents and siblings also signed the 1962 Assignment Agreement, conveying to Tempo any interest in Strayhorn's works that they might inherit.¹³

⁹⁹ In 1965, Strayhorn executed a will in which he appointed his nephew, Gregory Morris, his executor. In May 1967, Strayhorn died, leaving no direct survivors.¹⁴ Morris, as executor, filed copyright renewal applications for the compositions as they became eligible for renewal.¹⁵ He, and in some instances the siblings, assigned all of the renewals to Tempo. The dual assignments—assignments by Morris and the siblings—reflected these parties' confusion, based on conflicting legal advice, on two points: first, whether Morris or the siblings were the heirs to the renewal rights; and second, whether, if the executor were the heir, he could act dispositively towards the rights without the participation or consent of those for whom he served as fiduciary.¹⁶

¹⁰⁰ In 1989, the one surviving Strayhorn sibling, the siblings' adult children, and Morris, the executor, sued Tempo in New York State Court for rescission of the 1962 Assignment Agreement and rescission of subsequent assignments made pursuant to a 1969 Stock Purchase agreement executed between the parties.¹⁷ The parties settled their dispute when Music Sales, a music publishing company, agreed to promote the compositions in Tempo's stead: Music Sales would perform the duties originally contracted for by Tempo; Tempo would retain a fifty percent interest in the works.¹⁸

¹⁰¹ Between 1993 and 1998, Morris filed several termination notices with the U.S. Copyright Office purporting to terminate Music Sales' and Tempo's rights to the renewal terms in the compositions. In 1998, Music Sales and Tempo brought action against Morris and the Strayhorn estate seeking a declaratory judgment that the defendants lacked authority to terminate the plaintiffs' rights in the compositions.¹⁹

III. ORIGINS AND STRUCTURE OF THE 1976 COPYRIGHT ACT

¹⁰² Strayhorn and artists of his time created their works under the aegis of the 1909 Copyright Act. This Act no longer governs controversies arising over compositions created under it. In 1976, Congress repealed that Act and passed a superseding act, the 1976 Act. The 1976 Act contains extensive retroactive provisions governing works executed prior to the 1976 Act's effective date of January 1, 1978.²⁰ These provisions expressly state that they supersede those of the 1909 Act; thus, the 1976 Act is controlling in determining the title to and disposition of compositions that, like Strayhorn's, were composed under the 1909 regime but are currently under dispute.

¶13 The 1976 Act is a complex statute that bears the marks both of innovation and of its lineage. Some provisions were new in their entirety; others are legacies of the first copyright statute, the 1710 Statute of Anne. All of the provisions of the 1976 Act that establish the technical architecture of copyright terms, which substantively affect the rights and pecuniary interests of the copyright holders, bear on aspects of *Music Sales*. These are: (1) the duration of copyrights for works created prior to the 1976 Act's effective date; (2) the renewal terms and associated renewal rights; and (3) the termination right, an inalienable entitlement that enables certain statutorily-designated parties to revoke the assignments of copyrights to third parties. Each is examined below.

A. Duration of Copyright Under the 1976 Act: Origins and Purpose of the Multi-partite Scheme

¶14 The current statutory copyright term for works created prior to January 1, 1978 is ninety-five years.²¹ This term is comprised of three shorter terms: (1) an initial term of twenty-eight years from the work's creation or publication, whichever is later; (2) an initial renewal term of twenty-eight years; and (3) a second renewal term of thirty-nine years.²²

¶15 The origins of the multi-partite copyright term lie in the Statute of Anne, which created an original term of fourteen years and a renewal term of fourteen years.²³ The first U.S. federal copyright act, the Copyright Act of 1790, mirrored the Statute of Anne in establishing both an original and a renewal term.²⁴ The 1790 Act created a "renewal right" that allowed the artist to reclaim the copyright at the end of the first period in order to renegotiate its assignment.^{25,26} It also mirrored the expressed rationale underlying the Statute of Anne—the creation of incentives for the production of creative works in order to enrich the public. This purpose is evident in the Statute of Anne from its caption, "An Act for the Encouragement of Learning by Vesting the Copies of Printed Books in the Authors or Purchasers of Such Copies, During the Times Therein Mentioned."²⁷ The next major modifications of the Act, the 1831 and 1909 Acts, lengthened the initial and renewal terms to twenty-eight years each.²⁸ The 1976 Act then extended the total length of copyright for works created prior to January 1, 1978 from fifty-six to seventy-five years by adding a second renewal term of nineteen years.²⁹

¶16 Along with the second renewal term, Congress recognized a second "renewal right," structured in the same way as the first. The 1976 Act also created a new right around this extended term: it granted the artist a right to terminate his or her assignment of the renewal period—a "termination right."³⁰ This new right guarantees the artist or the artist's successors in interest the ability to reclaim the copyright, and capture its value, for the additional nineteen years.³¹ The 1976 Act survives to the current time, modified significantly only by the Sonny Bono Copyright Term Extension Act of 1999.³²

¶17 As its name implies, the Bono Act extends the duration of copyrights in musical and artistic works, adding twenty years to the previous seventy-five years to extend copyright to ninety-five years.³³ Unlike the 1909 and 1976 Acts, the Bono Act does not create a separate term with associated renewal rights; it merely extends the second renewal term. It also modifies the application of the renewal and termination provisions to the second renewal term by allowing the artist or the artist's successor in interest to exercise a termination right for the period that the Act added onto the term.³⁴

¶18 The extension of the copyright term affects substantial value and the allocation of that value between copyright holders and the public. The value of the extended copyright terms is obvious and directly monetizable. For example, royalties on popular songs from the forties and fifties, such as Strayhorn's, can provide millions of dollars of revenue per year to their publishers.³⁵ By extending the copyright term, the Bono Act allows millions of dollars of additional revenue to be captured

either by the publishing companies or by the estates. The termination right, therefore, is a crucial adjunct to the Bono Act's extended term: without guaranteeing the estate the ability to recapture or renegotiate the assignment for this twenty-year period, commercial third parties that had contracted for a shorter term would receive a windfall for which they had not bargained. Why, proponents of the termination right argue, should the third party receive the windfall when the monopoly of intellectual property rights can be justified only when such monopoly rights benefit the artists? They contend that the windfall should accrue to the artist's estate.

¶19 Beyond the publishing companies and the artists' estates there is a third stakeholder—the public. In order for either the publishers or the estates to capture the value of the renewal term, this third stakeholder suffers a deprivation. Congress and members of the music industry consider value captured within the renewal term as a windfall either to the publisher at the expense of the artist (or artist's estate), or vice versa. This binary debate fails to recognize that, either way, the value is captured from the public. Prior to enactment of the term extension, the public benefited from the works' entrance into the public domain. Following enactment, the public pays the additional costs of royalties now captured either by publishers or artists' estates.³⁶

B. *Operation and Intent of Renewal and Termination Rights*

¶20 The operation of the renewal and termination rights is technical and complex. Nimmer, the major secondary work on copyright law, points to the ambiguity of many of the renewal and termination provisions and the contradictions between commentators' interpretations of various technical points.³⁷ However, the question of who may exercise these rights, and under what conditions, lies at the heart of the *Music Sales* dispute. Because the question of who can terminate and who holds the termination right will be the locus of litigation as estates and commercial parties battle for the windfall extended term, it is important to understand the operation of the renewal and termination rights. *Music Sales* serves as a useful heuristic.

1. *Renewal Rights*

¶21 The policy behind the 1790 Act's creation of renewal rights and the heritability of those rights was to guarantee to the artist or the artist's family "an opportunity to reclaim the copyright of a work that he or she may have sold during the work's first term for an unjustly small sum."³⁸ The renewal terms accomplish this purpose by creating two opportunities for the copyright to revert back to the artist subsequent to the artist's original assignment. Once the copyright has so reverted, he or she may license it out again. This exercise of congressional paternalism may be explained by recourse to two factors: first, solicitude for the families of authors and artists; and second, the anomalous pricing and valuation problems posed by creative works.

¶22 Since its earliest hearings on extension of the Copyright Act, Congress has expressed concern for the survivors of authors and artists based upon the belief that artists and authors are unusually likely to leave their families destitute. The testimony surrounding the enactment of the renewal provisions in the 1906 Copyright Act, for example, is rife with anecdotes about the need for renewal terms to provide for the widows and children of deceased authors. Samuel L. Clemens, with his knack for comic truth, put the argument in favor of renewal rights to the Congressional Committee thus:

[T]he [renewal right] benefits my two daughters, who are not as competent to earn a living as I am, because I have carefully raised them as young ladies, who don't know anything and can't do anything. I am just a poor story teller and don't plan to leave them much, so I hope Congress will extend them that charity which they failed to get from me.³⁹

^{¶23} At the same hearings, Harriet Beecher Stowe testified to her pain that *Uncle Tom's Cabin* had fallen out of copyright during her lifetime and was being sold throughout Europe without any benefit to her whatsoever.⁴⁰ These arguments seemed to have influenced Congress in its decision to extend the renewal terms of copyrights in literary and artistic works. Though Clemens and Beecher Stowe were affluent from the success of their works and in scant need of additional royalties, the benefits of the renewal term would accrue directly to them or to their dependants. As such, the renewal term would fulfill the purpose of providing an incentive to authors and artists to produce creative works of eventual benefit to the public domain.

^{¶24} The second argument in favor of the renewal term structure, one not considered explicitly by Congress, derives from the nature of the market for creative works and the appropriateness of opportunities to renegotiate after the original transfer. This justification is found in the nature of the market for unique goods: where goods are unique, as artistic works are, and liquid exchanges for the good do not exist, valuation at the time of sale poses extraordinary difficulties.⁴¹

^{¶25} While it may be possible for repeat players in the industry to estimate a work's value prior to its publication, two factors militate against both the determinability of the work's value prior to publication and the artist's likelihood of receiving that value. First, public tastes are unpredictable. Even movie studios, the largest repeat players, predict the success of their productions poorly. Second, the large-scale repeat players are commercial interests. This means that the only players with a reasonable probability of predicting the value of the work also have an interest in acquiring it as cheaply as possible.⁴² It could be urged that agents and attorneys are repeat players on behalf of artists and that these players should have a reliable sense of the value of a given work. However, such players command market power only insofar as they represent artists who are already successful. In countering valuation estimates by agents or attorneys representing untested talent, the publishing house or studio has the un rebuttable argument that the work may not be popular. Pricing the work at time one—initial transfer from the author or artist to the commercial promoter—and then pricing it again at time two based upon its market success is thus consistent with appropriate valuation for the work and appropriate value capture for the artist. The opportunity to renegotiate allows the artist or author to capture the value of the later success of his or her work.

^{¶26} The saturation of popular culture with instant "hits" and "bestsellers" seems to moot this problem of valuation—success seems temporally linked to time of production. This linkage should, it might be argued, permit the correct and full valuation of the work during the first copyright term. However, Strayhorn's works demonstrate that future returns are crucial to the appropriate valuation of a creative work. Strayhorn's works were popular in their own time but, by definition, could not immediately attain the status of classics. Conversely, immediate hits and bestsellers may not produce meaningful future returns. Were a work to be priced at or near the time of its release, such pricing would be distorted to over-value hits and under-value future classics.⁴³ The full value of Strayhorn's jazz compositions appeared only in the fullness of time. His compositions illustrate the problem of valuation during the first copyright term.

^{¶27} For the above reasons, both the express legislative solicitude for artists' families and the implied pricing efficiency embodied in renewal rights adequately reflect the constitutional basis of intellectual property rights—that such rights exist as an incentive to authors and inventors to make their works available to the public.⁴⁴

^{¶28} The policy concerns underlying the creation of renewal rights—primarily the concern for artists' families—influence the extent to which the artist is free to contract away those rights or to bequeath them. Under the 1976 Act and its predecessors, the artist may, during the first copyright term, assign his or her expectancy of the renewal rights to a third party by contract. In *Music Sales*, Strayhorn assigned his expectancy of his renewal rights to Tempo Music, a subsidiary of Duke

Ellington, Inc.⁴⁵ All of Strayhorn's immediate family similarly signed over to Tempo any renewal interest they expected to inherit upon Strayhorn's death.⁴⁶ If the artist survives until the time the renewal copyright vests,⁴⁷ then his or her assignment to the third party is binding (although terminable through exercise of the termination right, discussed *infra* Part II.B.2).⁴⁸

⁴²⁹ However, in 1967, three years after he assigned his expectancy in the renewal rights to Tempo, Strayhorn died.⁴⁹ If an artist dies while the work is in its first term, the rights to future renewal copyrights do not follow any contractual or testamentary dispositions the artist may have made. If the artist had assigned the expectancy of the renewal right, as Strayhorn assigned his to Tempo, then the artist's death causes the expectancy to remain unfulfilled. In essence, the second party to such a contract merely purchases an option in the renewal right that terminates upon the artist's death. The Court explained in *Stewart v. Abend* that "the author had only an expectancy to assign; and his death, prior to the renewal period, terminates his interest in the renewal...."⁵⁰ Explaining the transfer of the renewal rights, the Court quoted the legislative history of the 1909 Act: "The right of renewal is contingent. It is not vested until the end [of the original term]. If [the author] is alive at the time of renewal, then the original contract may pass it, but his widow or children *or other persons entitled* would not be bound by that contract."⁵¹

⁴³⁰ Upon the artist's death, the expectancy of the renewal rights bypasses the option holder and vests in the categories of persons enumerated by the 1976 Copyright Act: (1) the artist's widow(er) and/or children; (2) the artist's executor if the "widow, widower, or children are not living;" or (3) "in the absence of a will," the artist's "next of kin."⁵² Where the statutory heirs have assigned their expectancy interest to a third party during the artist's lifetime, that assignment is binding on them.⁵³

⁴³¹ More concretely, if Strayhorn's siblings were the statutory heirs, then their assignment of their expectancy of the renewal rights to Tempo would have taken effect upon Strayhorn's death. Tempo would have held clear title to the rights assigned. As this example illustrates, one of the contested issues under this copyright regime concerns who, exactly, qualifies as a "statutory heir." Where the assignment has been disadvantageous to the estate and where the termination right cannot be exercised, the estate will seek to render the assignments ineffective—attempting to make an end-run around the statutory constraints based upon the contention that the parties were not statutory heirs. In *Music Sales*, a core issue is thus the clarification of § 304 (a)(1)(C)'s provisions determining the identity of statutory heirs.⁵⁴

2. Operation and Intent of Termination Rights

⁴³² The 1976 Act created an additional opportunity for the artist or the artist's heirs to extract value from the work. For transfers of renewal rights effected prior to January 1, 1978, it provides the artist or the artist's successors with the right to terminate a transfer and thereby reclaim the rights.⁵⁵ The termination right, like the renewal expectancy, passes from the artist to the statutory heirs upon the artist's death.⁵⁶ Unlike the renewal right, the termination right provided by the 1976 Act is inalienable; any contract provision that purports to assign that right is void.⁵⁷

⁴³³ The legislative intent underlying this provision reveals its unusual paternalism.⁵⁸ Congress created an inalienable right to ensure that the artist's heirs would be able to terminate any contingent grants of renewal rights made during the artist's lifetime. The House Reports reveal the legislators' view that, under the 1909 Act, "a great many contingent transfers of future renewal rights have been obtained from [statutory heirs].... A statutory beneficiary who has signed a disadvantageous grant of this sort should have the opportunity to reclaim the extended term."⁵⁹

^{¶34} Only the artist or the statutory heirs may effect the termination—and only within a specified time period.⁶⁰ The section applicable to the Strayhorn compositions provides:

In the case of any copyright subsisting in either its first or renewal term on January 1, 1978...the exclusive or nonexclusive grant of a transfer or license of the renewal copyright or any right under it, executed before January 1, 1978, by any of the persons designated by subsection (a)(1)(C) of this section, otherwise than by will, is subject to termination....⁶¹

^{¶35} Where the artist has died without previously assigning the renewal copyrights, the rights pass to the statutory heirs. Whoever assumes the renewal rights and assigns them may terminate the assignment. The statute provides: "In the case of a grant executed by a person or persons other than the author, *termination of the grant may be effected by the surviving person or persons who executed it...*"⁶²

IV. *MUSIC SALES*: HARMONIZING THE OPERATION OF RENEWAL AND TERMINATION RIGHTS WITH CONGRESSIONAL INTENT

A. Assumption of the Termination Rights by the Executor

^{¶36} Billy Strayhorn died without either a widow or children. This fact raises the central question of *Music Sales*: under what conditions may the executor qualify as a statutory heir of copyrights under sections 304(a)(1)(c) and 304(c)(2)?

^{¶37} Plaintiffs Music Sales and Tempo suggested that section 304(c)(2) of the 1976 Act should be read to prevent Strayhorn's executor from assuming the rights. The defendants urged the contrary position, asserting that the language of that section required the executor to assume the rights. The court found in favor of the defendants, determining that Morris, the executor of Strayhorn's will, had legitimately assumed the rights.

^{¶38} This relatively straightforward conclusion merits elaboration. The correct reading of section 304(c)(2), in conjunction with section 304(a)(1)(C), to which it refers, has engendered much commentary, as well as over ten years of litigation between the parties to *Music Sales*.⁶³ Controversy over the meaning of sections 304(a)(1)(C) and (c)(2) centers on the specification that the artist's rights vest in the executor where the artist's widow(er) and/or children are "not living." Section 304(c)(2) reads, "Where the author is dead, his or her termination interest is owned, and may be exercised" by the author's widow or widower, children, or grandchildren. If the foregoing "are not living," then the author's "executor, administrator, personal representative, or trustee shall own the author's entire termination interest."⁶⁴ Section 304(a)(1)(C), to which section 304(c)(2) refers, uses the same "not living" language with respect to an artist's spouse or offspring to indicate when the executor becomes the statutory heir.⁶⁵

^{¶39} This language may be read two ways. The first reading, urged by the plaintiffs, is that an executor assumes the renewal rights only where the artist had a spouse and/or children *who predeceased the artist*; where the artist never had a spouse or children, the rights do not vest in the executor but rather in the next of kin. This interpretation is favorable to Music Sales and Tempo because it would render binding certain assignments of rights made to them by Strayhorn's siblings during Strayhorn's lifetime. An interpretation identifying the executor as the statutory heir could have stripped these companies of their rights in the Strayhorn compositions. The second reading, urged by defendants, is that whether a spouse or children ever existed is irrelevant—if they are "not living" at the time of the artist's death, the executor takes the renewal rights as if he were the statutory heir.

⁹⁴⁰ There is some authority in favor of both interpretations of "not living." The limited precedent interpreting this section weighs in favor of the second interpretation, while the legislative history of the 1976 Act provides some support to each. No cases prior to *Music Sales* reached this exact point; the most relevant precedent is *Miller Music*, followed by *Stewart v. Abend*.⁶⁶ In *Miller Music*, the Court referred to section 304(a)(1)(C), concluding that the executor becomes the statutory heir "absent a widow [or widower] or child."⁶⁷ In *Stewart*, the Court echoed *Miller Music*, holding that the executor may claim "absent" a spouse or child.⁶⁸ The Court's use of "absent" is not significantly more illuminating than the Copyright Act's use of "not living." "Absent" could support both readings but seems to lean in favor of a determination based on present facts over any inquiry into the particulars of the artist's life. It implies indifference as to whether the spouse or child had ever existed as long as no such parties exist at the time of the artist's death. The court in *Music Sales* gave strong weight to "absent." It wrote that *Miller Music* had "clarified" the section and took "absent" as unambiguous support for the conclusion that "the executor may assume the rights where the author never had a spouse or children."⁶⁹ On this basis, the court ruled in favor of the defendant.

⁹⁴¹ An inquiry into the early history of the language of this section reveals that Congress shifted several times between requiring an executor to be the statutory heir and precluding the executor from becoming a statutory heir.⁷⁰ The 1790 Act required the renewal right to be claimed upon the artist's death by the "executors, administrators or assigns."⁷¹ The 1831 Act prevented the executor from claiming the rights at all, restricting statutory heirs to "widow, child, or children."⁷² If there were no such persons, the work would pass into the public domain.⁷³ The 1909 Act added back language allowing executors to inherit—on the condition that the spouse, child, or children were "not living."⁷⁴ This change arose from the view that it was unjust for the works to fall into the public domain or for benefits to accrue to publishers where the artist had family or estate interests that could benefit.⁷⁵

⁹⁴² Although not explicitly framing their arguments in these terms, proponents of reintroducing executors as a category of statutory heir advance a natural rights argument. This natural rights argument harkens back to some of the colonial rhetoric supporting intellectual property rights.⁷⁶ The point seems to be that an artist has a moral right in the value extracted from his or her works; therefore, after the artist's death, his or her estate is the superior claimant over a publishing company that has no lineal or moral connection to the works.⁷⁷ However, the idea of artistic "paternity" as a basis for ongoing rights in one's creative works runs counter to the purposes behind the creation and design of those rights: the express, constitutional purpose is to benefit the public by creating a market incentive for authors and artists to produce creative works.⁷⁸ The existence of natural rights arguments in colonial debates about intellectual property rights demonstrates that the framers were aware of natural rights as a potential basis for intellectual property regimes. That the framers incorporated incentive language, not natural rights language, into the Copyright Clause of the Constitution, must, therefore, have represented a deliberate choice of market theory over natural rights theory as the foundation for the American intellectual property regime.

⁹⁴³ The court in *Music Sales* determined that, as between the artist's estate and the publishing house, the intent of the Copyright Act is to secure the rights to the artist's beneficiaries—however removed they may be from the artist and regardless of whether such a decision provides an incentive for the production of created works. This disposes, for the first time, of the question of the correct interpretation of sections 304(a)(1)(c) and 304(c)(2) of the statute, which are of vital importance to the litigants in this dispute and in future, similar disputes. The larger issue, however, remains open: what rationale supports intellectual property rights that do not provide incentives or reward the artist in any way?

B. *The Executor's Exercise of the Termination Right*

^{¶44} One determination of the *Music Sales* decision, consistent with settled precedent, further demonstrates the extent to which courts struggle to realize the purpose of intellectual property rights through the form of the current statutory regime. This determination concerns the freedoms and obligations of the executor in his fiduciary role vis-à-vis the next of kin or other beneficiaries of the artist's estate. The plaintiffs in *Music Sales* asserted that Morris, as executor, could not terminate their grant of rights even if he were the statutory successor. They based this argument on the principle that the executor, even if nominally a statutory heir, takes not personally but as a fiduciary for the estate. The siblings themselves executed the 1962 Agreement with Tempo and ratified Music Sales' assumption of that grant in 1991; thus, as a fiduciary, Morris should be bound to honor the prior obligations of those whom he serves—the siblings. This would prevent him from terminating grants of rights executed by the siblings. The defendants countered that the executor is unconstrained and thus need not honor the siblings' assignments to the plaintiffs.⁷⁹

^{¶45} The plaintiffs' position is consistent both with the general standard of fiduciary obligation and with a decision of the Southern District of New York, *Capano Music, Inc. v. Myers Music, Inc.*⁸⁰ *Capano* held that an executor who assumes the responsibility for the testator's copyrights "[is] not given power to assign the copyright interest to whomever he [chooses]" but is "constrained" by the pre-existing commitments of the testator and/or of the legatees.⁸¹

^{¶46} The court ruled against the plaintiffs on this point, however, rejecting their contention that "there is quite simply nothing different, for copyright purposes than for any other purposes, about the rights and duties of an executor."⁸² Here the court followed *Miller Music*, which explicitly determined that the fiduciary does have special freedoms and prerogatives with respect to the administration of copyrights.⁸³ *Miller Music* stands for the principle that the executor who assumes copyrights as a statutory heir may step outside the ordinary *cum onere* role and instead may act without regard to the obligations or commitments of the next of kin.⁸⁴ The Court stated:

Of course an executor usually takes in a representative capacity. He "represents the person of his testator" as *Fox Film Corp. v. Knowles* states. And that normally means that when the testator has made contracts, the executor takes *cum onere*. Yet it is also true, as pointed out in *Fox Film Corp. v. Knowles, supra*, that "it is no novelty" for the executor "to be given rights that the testator could not have exercised while he lived."⁸⁵

^{¶47} Justice Harlan, in a strong dissent, called this result "unjust and unsettling."⁸⁶ He noted that this holding set the rights of the executor exactly equal to those of the artist's surviving spouse or offspring, and he questioned the majority's rationale:

...I cannot perceive the applicability of this reasoning to the executor. The executor...manifestly *could not have been the object of such congressional solicitude, since he takes...only as a fiduciary for those benefited by the will...* [A] legatee can be any person [or] corporation...capable of taking property by bequest. Surely we cannot infer legislative concern over the protection of the interest of *whosoever...* should...be chosen by the author. The evident purpose of the clause regarding executors was..."to permit the author who had no wife or children to bequeath by will the right to apply for the renewal."⁸⁷

^{¶48} The majority all but asserts that it is necessary for the Court to distort the role of the fiduciary in the copyright context in order to benefit the parties related to the artist. This demonstrates the difficulty that the Court experiences in attempting to effectuate the purposes of copyright under the strictures of the current statutory regime. Justice Harlan rebels against creating a new, tortured

meaning of "fiduciary" to accommodate the tension between the inheritance, renewal, and termination provisions of the current statutory copyright regime and the constitutional purpose of intellectual property protection.

V. ELDRED V. RENO: A TEST OF CONFLICTS BETWEEN THE BONO ACT, THE COPYRIGHT CLAUSE, AND THE FIRST AMENDMENT

A. *The Relationship of Eldred to Music Sales: Eldred Makes Explicit the Constitutional Tensions Merely Implicit in Music Sales*

⁴⁹ In *Music Sales*, the interest purportedly protected was that of the artist's non-immediate relatives.⁸⁸ Regardless of which party prevailed in *Music Sales*, the public lost, as it does in any allocation of an extended copyright term to a private party. In *Music Sales*, the court was forced to allocate rights in an extended copyright term to one or another private party.⁸⁹ This allocation to private parties—indeed, the total exclusion of the public as a stakeholder in the allocation of rights to use these works—deprived the public domain (and therefore the public) of Strayhorn's work under the guise of fidelity to the Copyright Clause. This exhibits the conflict between the Copyright Clause and the renewal and termination provisions of the 1976 Copyright Act as modified by the Bono Act.

⁵⁰ In *Eldred v. Reno*, the plaintiffs asked the United States District Court, District of Columbia, to consider directly the constitutionality of the Bono Act.⁹⁰ In posing this question, the *Eldred* plaintiffs raised a second constitutional challenge to copyright extension beyond the Copyright Clause—the tension between the Bono Act's restriction on the flow of information and the First Amendment's mandate that "Congress shall make no law" abridging the freedom of speech.⁹¹

B. *Background to Eldred and Issues Presented in the Case*

1. *Background to Eldred*

⁵¹ The *Eldred* plaintiffs brought suit on behalf of the interests of certain not-for-profit publishers and small publishing concerns.⁹² Through the particularized harm to these parties, the plaintiffs sought to represent the interests of the public at large.⁹³ Eric Eldred filed suit in 1999 on his own behalf and on behalf of his press, the Eldritch Press, initiating the action of *Eldred v. Reno*.⁹⁴ He claimed that the extension of the copyright term pursuant to the Bono Act deprived him of the opportunity to web publish works that would have entered the public domain but for the Act.⁹⁵ Eldred petitioned for injunctive relief against the extension of the copyright term under the 1998 Bono Act, alleging personal harm from the Act and alleging that the extension is unconstitutional in its application.⁹⁶

⁵² Eldred founded the Eldritch Press in 1995 as an unincorporated nonprofit association with the purpose of exploring and developing uses of the Internet for the dissemination of books and other texts available in the public domain.⁹⁷ The Eldritch Press's web site features, for example, free HTML versions of novels by Henry James, Anton Chekov, and Joseph Conrad, collections of poetry, and other works in the public domain.⁹⁸ He alleged in his suit that he had prepared for distribution over his web site various works that would have entered the public domain but for the Bono Act's extension of the copyright term.⁹⁹

⁵³ Numerous other publishing concerns joined the suit, as did an organization called Copyright's Commons, a subsidiary of the Berkman Center for Internet and Society at Harvard University.¹⁰⁰

Although Eric Eldritch alleged real harm, *Eldred* served primarily as a test vehicle for conflicts between the Copyright Clause, the First Amendment, and the Bono Act—as evidenced by the policy organizations that joined the suit as plaintiffs, such as the Berkman Center,¹⁰¹ and the participation of Professors Charles Nesson and Lawrence Lessig as counsel for the plaintiffs.¹⁰²

2. *Issues Presented in Eldred*

¹⁵⁴ Based on standing conferred by the alleged discrete and particularized harm to the Eldritch Press, *Eldred* challenged the ability of Congress to enact, under the authority of the Copyright Clause, a statute that does not increase the incentives to create new works, that cannot affect the incentive structure for the production of extant works, and that extends the "limited term" language to cover a span of over one hundred years.¹⁰³ Specifically, the plaintiffs advanced claims that:

- the Bono Act violates the First Amendment by limiting the amount of speech that would be available in the public domain but for the Act,¹⁰⁴
- the retrospective extension of copyright protection is beyond Congress's enumerated power under the Copyright Clause;¹⁰⁵ and
- the Bono Act violates the public interest, or "public trust," doctrine.¹⁰⁶

3. *The Court's Ruling*

¹⁵⁵ In a brief opinion granting summary judgment for the defendants, the district court rejected each of the plaintiffs' claims.¹⁰⁷

¹⁵⁶ In respect of the First Amendment issue, the court's entire consideration consisted of the following:

The Plaintiffs' first claim, that the CTEA [Bono Act] violates the First Amendment, is not supported by relevant case law. The District of Columbia Circuit has ruled definitively that there are no First Amendment rights to use the copyrighted works of others. ...[T]he Court rejects Plaintiffs' First Amendment claim.¹⁰⁸

¹⁵⁷ Despite the court's cursory treatment, the curtailment by intellectual property monopolies of expression protected by the First Amendment has received significant attention from scholars.¹⁰⁹ Some circuit courts have also recognized the importance of creating First Amendment exceptions to the protection of intellectual property such that free speech, particularly political speech, is not abridged.¹¹⁰ In its refusal to consider the impingement of First Amendment expression by the Bono Act's extended copyright protection, the *Eldred* court expressed a new, conservative standard in courts' willingness to create exceptions to copyright for free speech purposes.

C. *Eldred's First Amendment Challenge to the Bono Act*

¹⁵⁸ The most powerful—and interesting—claim that *Eldred* raises is that the Bono Act violates the First Amendment. His claim suggests that the extension of the copyright term erects a barrier around a significant body of information and cultural production (*i.e.*, artistic and creative works).¹¹¹ This reduction of the informational substrate available to the public restricts the ways in which people may express themselves politically and creatively.¹¹²

^{¶59} Such restriction, the *Eldred* plaintiffs and other scholars argue, is a form of censorship. Because "copyright largely determines the accessibility and cost of information...it grants rights holders substantial powers of censorship through the threat of prosecution for infringement."¹¹³ Because the censorship is accomplished through the congressionally-created law of copyright, it constitutes government censorship in violation of the First Amendment.¹¹⁴ Yochai Benkler argues that "[g]overnment policy" such as copyright extension can block speech acts that otherwise would have taken place; this "cause[s] our information environment to become highly concentrated."¹¹⁵ In turn, the "concentrated information environment menaces the First Amendment."¹¹⁶

^{¶60} Since this "menace" to the First Amendment derives from government policy, scholars, like Benkler and Lessig, and the *Eldred* plaintiffs contend that policy regimes restricting speech must be scrutinized under the "Congress shall make no law..." provision of the First Amendment.¹¹⁷ The *Eldred* plaintiffs alleged that this censorship renders the entire Act constitutionally infirm under the First Amendment.¹¹⁸ As they stated in their Second Amended Complaint, "[T]he government cannot establish that the CTEA 'advances important governmental interests unrelated to the suppression of free speech and does not burden substantially more speech than is necessary to further those interests.'"¹¹⁹

^{¶61} There is some support in the Supreme Court's intellectual property jurisprudence for *Eldred*'s First Amendment challenge to the Bono Act. *New York Times Co. v. Sullivan*¹²⁰ and *Red Lion Broadcasting Co. v. FCC*¹²¹ are the primary cases that support the proposition that copyright regulation can constitute both (1) a restriction on speech and (2) state action subjecting the restriction to First Amendment strictures. Although these cases do not address copyright, they address First Amendment constraints that limit the state's ability to create and enforce private rights of action that impinge upon speech. However, the a First Amendment challenge to the Bono Act predicated on a government action theory also faces formidable hurdles, as it runs counter to most of the Court's state action jurisprudence. The Court's traditionally stringent construction of what constitutes state action—as evidenced in *Shelley v. Kraemer*¹²²—weighs against the *Eldred* plaintiffs' claim that the Bono Act runs afoul of the First Amendment.

^{¶62} In *Sullivan*, the plaintiff, then a commissioner of Montgomery County, Alabama, brought a libel action against the *New York Times*; he claimed that an advertisement run by the *Times* unjustly and inaccurately tarnished his reputation.¹²³ The state trial court found for the plaintiff and the Alabama court of appeals and supreme court affirmed the verdict.¹²⁴ In reversing, the Supreme Court held that the First Amendment places limits on anti-defamation laws that might chill political speech.¹²⁵

^{¶63} Although the Alabama law did not censor expression directly, the Court reasoned that its application would induce "self-censorship."¹²⁶ The Court did not decide if such law-induced self-censorship was tantamount to state censorship; however, it did apply First Amendment considerations to a legal regime that involved private parties enforcing speech restrictions against one another, rather than direct state restriction.¹²⁷ The *Sullivan* court cited a "profound national commitment to the principle that debate on public issues should be uninhibited, robust, and wide-open...."¹²⁸

^{¶64} *Red Lion* similarly addressed the importance of limiting legal restrictions on the speech of the media. As in *Sullivan*, the restrictions at issue in these cases were not direct governmental regulation. Instead, like copyright regulations, they were restrictions privately accomplished under federal law.

^{¶65} *Red Lion* concerned the right of public officials to respond to criticism on broadcast media. In *Red Lion*, the Court stated, "It is the purpose of the First Amendment to preserve an uninhibited marketplace of ideas in which truth will ultimately prevail, rather than to countenance monopolization of that market, *whether it be by the Government itself or a private licensee*.... It is the right of the public to receive suitable access...."¹²⁹ The *Red Lion* Court based its reasoning on the concentration of broadcast media—the idea that valuable public and political expression may be limited if channels for speech are limited. In the copyright context, the concentration of ownership of copyright monopolies for increasingly long periods of time in an ever-smaller number of publishing conglomerates effectively limits channels of communication.¹³⁰ If lack of alternative channels of expression and concentration of control over information flow justify the application of First Amendment principles in *Red Lion*,¹³¹ then extended copyrights and their economics of concentration should bring the Bono Act under the purview of the *Red Lion* holding.

^{¶66} The public's use of Billy Strayhorn's music or Robert Frost's poetry, which the Eldritch Press had prepared to web publish, may not seem to be political discourse. However, two arguments connect the copyright restriction of these works to the *Sullivan* Court's rationale that private libel suits can be regulated under the First Amendment if they affect political speech. First, artistic and literary works can constitute powerful forms of political expression and inspire political thought and action. The poetry of Langston Hughes, for example, which remains under copyright solely because of the Bono Act's retroactive extension of the copyright term, may be understood to integrate personal, political, and artistic expression. Reading Hughes' poetry publicly—which currently may not be possible without securing the rights from the publisher—could constitute a political act. Second, the Bono Act's term extension constrains the availability of all kinds of works, artistic and political; the longer the duration of copyright, the more political material also comes within the scope of copyright's restrictions.

^{¶67} In spite of these arguments, the theory of government action espoused by the *Eldred* plaintiffs and by theorists such as Benkler has had limited historical success. The Court has decided in only a few cases that the government's enforcement of private parties' claims constitutes government action. These cases are outliers: the line distinguishing private actions pursued under color of law from government action remains sharp.

^{¶68} Although far from being the sole case in this area, *Shelley v. Kraemer*¹³² is paradigmatic. *Shelley* concerned a property transaction between two parties, a white homeowner and an African-American potential home buyer. Third parties sought to disrupt the sale through the enforcement of a restrictive covenant to which the seller was a party.¹³³ The Supreme Court held that judicial enforcement of the covenant would constitute impermissible state action under the Fourteenth Amendment.¹³⁴

^{¶69} The state action theory espoused by *Shelley* is a narrow one. It does not transform private action into governmental action simply because private actors employ the mechanisms of the State—such as the judicial system—or because such private action occurs under the color of law. In *Shelley*, state enforcement of the restrictive covenant would have interrupted a transaction between a willing buyer and seller. In the domain of copyright, state action does not interfere with transactions that would otherwise take place between the copyright holder and the user. No copyright holder is *restrained* by law from giving away his or her property to a user. To apply state action theory to copyright, it would be necessary to posit that state creation and enforcement of copyright protection *coerce* the copyright holder to use or refrain from using his or her property in particular ways. However, the inverse is true. Therefore a state action challenge to the copyright regime would not be analogous to *Shelley*.

^{¶70} At least one justice has signaled that she does not think government regimes leading to the *private* curtailment of speech constitute state action for First Amendment purposes. Justice

O'Connor wrote in her dissent to *Turner Broadcasting Systems, Inc. v. FCC*, "[T]he First Amendment as we understand it today rests on the premise that it is government power, rather than private power, that is the main threat to free expression...."¹³⁵ Justice O'Connor's view conflicts with the state action theory of restriction of expression espoused by the *Eldred* plaintiffs with respect to copyright. If a case challenging the Bono Act's constitutionality on First Amendment grounds were to be presented to the Court, and four other justices were to share Justice O'Connor's view, Congress might be free to enlarge the scope of copyright laws without any constraint by the First Amendment.

VI. CONCLUSION

⁷¹ The success of Copyright Clause and First Amendment attacks on copyright extension will depend upon courts' perception that valuable public expression is restricted by enlarging the scope of the copyright laws.¹³⁶ The rationale that inspired the original creation of intellectual property rights—provision of incentives for artistic and informational production—is challenged by the extension of the copyright term such that the rights conferred benefit parties tenuously related, or unrelated, to the artist. A content-neutral speech regulation—such as the Bono Act—survives First Amendment analysis "if it advances important governmental interests unrelated to the suppression of free speech and does not burden substantially *more speech than necessary* to further those interests."¹³⁷ Here, the two constitutional infirmities of the Bono Act intersect: *Music Sales*, by awarding the windfall benefits of the extended term to parties unrelated to the artist, demonstrates that the inheritance and termination provisions of the Copyright Act—coupled with the increased duration created by the Bono Act—divorces copyright from any rational conception of incentives. The dissociation of these provisions from incentives means that they burden "more speech than necessary" to fulfill the incentive purpose of copyright. Given that "more speech than necessary" may be burdened at no value to the public, and for no enrichment of the public domain, the inheritance, renewal, and termination provisions of the amended Copyright Act conflict with the First Amendment. *Music Sales*' attempt to give a sensical interpretation to the inheritance, renewal, and termination provisions in a dispute where the incentive to produce is moot suggests that the statutory structure of copyright has become estranged from its original purpose. Despite its holding, the facts of *Eldred* demonstrates that the discord between the Copyright Clause and the amended Copyright Act creates a genuine First Amendment concern about the effects of the current copyright regime on freedom of expression. Yet, based on the *Eldred* plaintiffs' resounding defeat, courts, for now, will be required to do their interpretive best—or worst—to reconcile these contradictory regimes while the public domain, and the public, suffer.

[†] J.D. Candidate, Yale Law School, 2001.

¹ See *Music Sales Corp. v. Morris*, 73 F. Supp. 2d 364 (S.D.N.Y. 1999).

² Pub. L. No. 94-553, 90 Stat. 2541 (1976) (codified in 17 U.S.C.).

³ Pub. L. No. 105-298, 112 Stat. 2827 (1998) (codified at 17 U.S.C. §§ 101, 108, 110, 203, 301-04, 504, 512).

⁴ "Congress shall have Power: ...To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. Const. art. I, § 8, cl. 8.

⁵ See *id.*

⁶ *Eldred v. Reno*, 74 F. Supp. 2d 1 (D.C. Cir. 1999).

⁷ The Berkman Center for Internet & Society, based at Harvard Law School, exists to "explore cyberspace, share in its study, and help pioneer its development." Berkman Center (visited Oct. 13, 2000) <<http://cyber.law.harvard.edu/mission>>.

⁸ The Eldritch Press is located at <<http://eldred.ne.mediaone.net>> (visited May 2, 2000).

[9](#) According to the Constitution, "Congress shall make no law...abridging the freedom of speech, or of the press...." U.S. Const. amend. I.

[10](#) 17 U.S.C. § 304(a)(1)(C) (Supp. 2000).

[11](#) See *Music Sales*, 73 F. Supp. 2d at 367. The facts of *Music Sales* unfolded over a span of more than fifty years; only the most salient are included here.

[12](#) See *id.*

[13](#) See *id.*

[14](#) See *id.*

[15](#) See *id.*

[16](#) See *id.*

[17](#) See *id.* at 368.

[18](#) See *id.* at 368.

[19](#) See *id.* at 369.

[20](#) The portion of the statute concerning works created prior to its effective date is 17 U.S.C. § 304. As this essay does not concern works created after the Act's effective date, provisions relating to such works are not discussed.

[21](#) See 17 U.S.C. § 304(a)-(b) (1996 & Supp. 2000).

[22](#) See *id.*

[23](#) See Statute of Anne, 1710, 8 Anne, ch. 19 (Eng.). Anne provided that the copyright would expire at the end of the first 14-year period unless the author was still living and personally applied for the renewal term.

[24](#) Prior to the enactment of the federal statute, all of the states but Delaware had enacted copyright statutes in response to the urgings of the Continental Congress. See William F. Patry, *The Failure of the American Copyright System: Protecting the Idle Rich*, 72 Notre Dame L. Rev. 907, 912 (1997). The first New Hampshire copyright statute is a representative example of these acts and displays the dual purposes of the early copyright laws—to provide a market incentive for the production of intellectual property and to secure to the author the Lockean natural right in his or her works. The New Hampshire statute reads, in part:

As the improvement of knowledge, the progress of civilization, and the advancement of human happiness, greatly depend on the efforts of learned and ingenious persons in the various arts and sciences; as the principal encouragement such persons can have to make great and beneficial exertions of this nature, must consist in the legal security of the fruits of their study and industry to themselves; and as such security is one of the natural rights of all men...

Act of Nov. 7, 1783, ch. 1, 1783, 4th Sess., N.H. Laws (Vol. 4, at 521). The Act goes on to detail specific protections.

[25](#) See Act of May 31, 1790, ch. 15, 1 Stat. 124 (enacted in 1st Cong., 2d Sess.).

[26](#) The adoption by the U.S. of the regime set forth in the Statute of Anne burdened the U.S. copyright system with a scheme abandoned by England in 1814 and never adopted by any Continental powers. See Patry, *supra* note , at 915.

[27](#) See Statute of Anne, *supra* note , ch. 19, at 82.

[28](#) See Act of Feb. 3, 1831, ch. 16, 4 Stat. 436 (enacted in 21st Cong., 2d Sess.); 17 U.S.C. § 12 (1909) (repealed 1978).

[29](#) 17 U.S.C. § 304(a)(1)(C).

[30](#) See 17 U.S.C. § 304 (1996 & Supp. 2000).

[31](#) The termination right differs from the renewal right in that the renewal right allows the artist or the artist's successors in interest to recapture the copyright at the commencement of the renewal term while the termination right allows the artist or the artist's successors to terminate the assignment of the renewal. The renewal right has been called a "second bite at the apple," H.R. Rep. No. 60-2222, at 12 (1909).

[32](#) See Bono Act, *supra* note . See also Christina N. Gifford, Note, *The Sonny Bono Copyright Term Extension Act*, 30 U. Mem. L. Rev. 363, 378 (2000) (stating that "The CTEA [Bono Act] is one of the most drastic changes in copyright law since the current Copyright Act took effect in 1978").

[33](#) See Bono Act, *supra* note .

[34](#) See *id.*

[35](#) See *Music Sales*, 73 F. Supp. 2d at 369 (referring to a letter from Barrie Jordan, President of Music Sales, to counsel for Gregory Morris, Strayhorn's executor, that specifies the amount of royalties paid by Music Sales to the Strayhorn estate.).

[36](#) See, e.g., Robert C. Denicola, *Freedom To Copy*, 108 Yale L.J. 1661, 1675-77 (1999) (describing how "encouraging creativity through the recognition of exclusive rights...imposes costs. Trading access for incentive restricts the consumption of public goods and hence reduces consumer welfare."); William M. Landes & Richard A. Posner, *An Economic Analysis of Copyright Law*, 18 J. Legal Stud. 325, 326 (1989) (the classic analysis of the economic costs and benefits of intellectual property monopolies).

[37](#) 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 11.02[A], at 11-17 (1999).

[38](#) *Music Sales*, 73 F. Supp. 2d at 371. This congressional aspiration behind the renewal right is expressed best by the debates surrounding the enactment of the 1909 Copyright Act:

It not infrequently happens that the author sells his copyright outright to a publisher for a comparatively small sum. If the work proves to be a great success and lives beyond the term of twenty-eight years, your committee felt that it should be the exclusive right of the author to take the renewal term, and the law should be framed as is the existing law, so that he could not be deprived of that right.

H.R. Rep. No. 60-2222, at 14-15 (1909).

[39](#) Arguments Before the Comms. on Patents on S. 6330 and H.R. 19853, 59th Cong., 1st Sess. 117 (1906).

[40](#) See *id.*

[41](#) Pricing for artistic works may be thought of as the inverse of commodity pricing. By definition, an artistic product, whether an object or a literary or musical compositions, is unique and novel, and thus no artistic work can ever have a perfect substitute.

[42](#) Some commercially-successful artists could qualify as repeat players (e.g., Stephen King, Whitney Houston); they command the value of their works accordingly. However, the experience of even these players is negligible compared with that of the institutions with which they contract.

[43](#) Over-valuation and under-valuation refers here to potential future cash-flows generated by the works. In addition, a normative misvaluation would occur, as fully pricing works based upon immediate popularity only would provide even steeper incentives for the production of mass-appeal works over those of more enduring appeal.

[44](#) See U.S. Const. art. I, § 8, cl. 8.

[45](#) See *Music Sales*, 73 F. Supp. 2d at 367.

[46](#) See *id.* The parties who signed the contract conveying their expectancy interest in the renewal rights to Tempo included Strayhorn's parents and siblings.

[47](#) Prior to the copyright entering the renewal period, there is merely an expectancy of renewal. So-called assignments of "renewals" prior to the renewal date are merely assignments of the expectancy of the renewal, which may or may not become fulfilled at the future date. Thus, the expectancy is the equivalent of an *option*. Because the renewal expectancy functions as an option, it is said to "vest", as an option vests, on the day it becomes effective.

[48](#) See *Stewart v. Abend*, 495 U.S. 207, 219 (1990) (discussing *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960)).

[49](#) See *Music Sales*, 73 F. Supp. 2d at 367.

[50](#) *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373, 375 (1960). See also *Stewart*, 495 U.S. at 219 (stating that "[W]hen an author dies before the renewal period arrives, his executor is entitled to the renewal rights, even though the author previously assigned his renewal rights to another party.").

[51](#) *Stewart*, 495 U.S. at 219-20 (quoting 5 Legislative History of the 1909 Copyright Act 77 (E. Brylawski & A. Goldman eds. 1976) (statement of Mr. Hale) (emphasis added)).

[52](#) 17 U.S.C. § 304(a)(1)(C). *See also Stewart*, 495 U.S. at 219. The 1976 Act states that the parties entitled to the renewal and extension of the copyright are:

- i. the author of such work, if the author is still living,
- ii. the widow, widower, or children of the author, if the author is not living,
- iii. the author's executors, if such author, widow, widower, or children are not living, or
- iv. the author's next of kin, in the absence of a will of the author[.]

17 U.S.C. § 304(a)(1)(C). The language of the statute in force at the time of Strayhorn's death, 17 U.S.C. § 24 (1909), is identical in substance to the current statute.

[53](#) *See Melville B. Nimmer, Termination of Transfers Under the Copyright Act of 1976*, 125 U. Pa. L. Rev. 947, 985 (1977). *See also Rohauer v. Killiam Shows, Inc.*, 551 F.2d 484, 493 (2d Cir. 1977) (describing the practice of publishers of obtaining consents or assignments from identifiable statutory heirs).

[54](#) *See Music Sales*, 73 F. Supp. 2d at 371.

[55](#) *See* 17 U.S.C. § 304(c) (1996 & Supp. 2000).

[56](#) *See id.* Section 304(c), governing termination rights, does not enumerate the parties who may succeed to and exercise the termination right but specifies them by reference to section 304(a)(1)(C), discussed *supra* Part II.B in relation to renewal rights.

[57](#) *See Stewart*, 495 U.S. at 230 ("The 1976 Copyright Act provides...an inalienable termination right.").

[58](#) "Paternalism" is used here descriptively, not pejoratively.

[59](#) H.R. Rep. No. 1476, 94th Cong., 2d Sess. 135 (1976), at 141.

[60](#) *See* 17 U.S.C. § 304(c).

[61](#) 17 U.S.C. § 304(c)(3) (1996).

[62](#) 17 U.S.C. § 304(c)(1) (1996) (emphasis added).

[63](#) Parties to *Music Sales* have been involved in litigation with respect to these copyrights since 1989. *See Music Sales*, 73 F. Supp. 2d at 368.

[64](#) 17 U.S.C. § 304(c)(2) (Supp. 2000).

[65](#) *See* 17 U.S.C. § 304(a)(1)(C).

[66](#) *See Stewart*, 495 U.S. 207 (1990).

[67](#) *Miller Music*, 362 U.S. at 375 (emphasis added).

[68](#) *Stewart*, 495 U.S. at 208.

[69](#) *Music Sales*, 73 F. Supp. 2d at 373 (emphasis added).

[70](#) The court did not inquire into the early history of the Act, as it was not necessary for the immediate resolution of the dispute.

[71](#) *See* Act of May 31, 1970, *supra* note .

[72](#) *See* Act of Feb. 3, 1831, *supra* note .

[73](#) *See id.*

[74](#) Act of May 31, 1970, *supra* note .

[75](#) *See* Act of Feb. 3, 1831, *supra* note .

[76](#) *See* Act of Nov. 7, 1783, *supra* note (presenting the natural rights basis for early colonial copyright statutes). *See also* discussion, *supra* note , of natural rights theories implicit in the preamble to the New Hampshire copyright statute of 1783.

[77](#) *See* Act of Nov. 7, 1983, *supra* note .

[78](#) *See supra* note .

[79](#) *Music Sales*, 73 F. Supp. 2d at 366-70.

[80](#) *Capano Music, Inc. v. Myers Music, Inc.*, 605 F. Supp. 692 (S.D.N.Y. 1985).

[81](#) *Id.* at 697.

[82](#) Pls.' Mem. Law Supp. Mot. Summ. J. at 14; *see Music Sales*, 73 F. Supp. 2d at 374.

[83](#) *See Miller Music*, 362 U.S. at 373.

[84](#) *See id.* at 376-77. In *Miller*, the Court set the rights and freedoms of the executor exactly equal to those of the widow or widower, or children. *See id.* at 376. This holding engendered strong dissents asserting that the executor should act merely to execute existing assignments of the rights. *See, e.g., id.* at 381 (Harlan, J., dissenting).

[85](#) *Id.* at 376 (citations omitted).

[86](#) *Id.* at 379.

[87](#) *Id.* at 381 (citations omitted; emphasis added).

[88](#) *Music Sales*, 73 F. Supp. 2d at 373.

[89](#) *See id.*

[90](#) *Eldred*, 74 F. Supp. 2d at 1-2.

[91](#) U.S. Const. amend. I.

[92](#) *See* Pls.' 2d Am. Compl. at ¶ 14 (available at <http://cyber.law.harvard.edu/eldredvreno/complaint_amd2> (visited Oct. 12, 2000)).

[93](#) *See id.* at ¶ 69.

[94](#) *See generally* Pls.' 2d Am. Compl.

[95](#) *See id.* at ¶ 31.

[96](#) *See* Pls.' 2d Am. Compl.

[97](#) *See id.* at ¶ 27.

[98](#) *See* website, *supra* note .

[99](#) *See* Pls.' 2d Am. Compl. at ¶ 31.

[100](#) Numerous private and nonprofit publishing-related concerns joined *Eldred* as plaintiffs. The private plaintiffs include: Luck's Music Library, Inc., which supplies classical orchestral sheet music to performers; Dover Publications, Inc., a commercial book publisher; Moviestream, Inc., a commercial film archive. *See* Pls.' Am Compl. at ¶¶ 6, 9-10. Nonprofit plaintiffs include: American Film Heritage Association, a non-profit film preservation group that represents concerns dedicated to the preservation of classic films; and the Copyright's Commons, a division of the Berkman Center. *See id.* at ¶¶ 8, 11; Berkman Center website, *supra* note .

[101](#) *See* Berkman Center website, *supra* note .

[102](#) Charles Nesson is the director of the Berkman Center and a professor of law at Harvard Law School. *See Charles Nesson—The Berkman Center for Internet Society* (visited Oct. 15, 2000) <<http://cyber.law.harvard.edu/nesson>>. Lawrence Lessig was, at the time *Eldred* was brought, a professor of law at Harvard Law School and served as the former special master in the Microsoft anti-trust case; he currently holds an appointment at Stanford Law School. *See Lawrence Lessig—The Berkman Center for Internet Society* (visited Oct. 16, 2000) <<http://cyber.law.harvard.edu/lessigbio>>.

[103](#) *See* Pls.' Am. Compl. at ¶¶ 62-64.

[104](#) Pls.' Mem. at 27-55; *Eldred*, 74 F. Supp. 2d at 3.

[105](#) Pls.' Mem. at 65; *Eldred*, 74 F. Supp. 2d at 3.

[106](#) Pls.' Mem. at 72; *Eldred*, 74 F. Supp. 2d at 3-4.

[107](#) *Eldred*, 74 F. Supp. 2d at 3. Dismissing the limited times argument, the district court declined to give a meaningful reading to the Copyright Clause, stating instead the truism that "any fixed term is a limited time because it is not perpetual. *If a limited time is extended for a limited time then it remains a limited time.*" See *id.* at 3 n.7 (emphasis added). Several cases prior to *Eldred* have tested the boundaries of "limited times"; each has resulted in the court holding that "limited times" merely refers to any finite period of time. See *Schnapper v. Foley*, 667 F.2d 102, 112 (D.C. Cir. 1981); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984) (pointing out that limited times period is subject to the discretion of Congress); *Pennock v. Dialogue*, 27 U.S. (2 Pet.) 1, 16-17 (1829).

The *Eldred* court gave the plaintiffs' public trust challenge equally short shrift. See *Eldred*, 74 F. Supp. at 3-4. The public trust doctrine was developed around, and has traditionally been applied to, protection of the public commons of navigable and tidal waters, including associated beaches. See *District of Columbia v. Air Florida, Inc.*, 750 F.2d 1077, 1082 (D.C. Cir. 1984) ("At the core of the public trust doctrine is the principle that navigable waters are held by the sovereign in trust for certain public uses.... [U]se of these waters and lands [is] circumscribed by the public's paramount interests in navigation, commerce and fishing."). Such resources are protected under this doctrine based on the view that piecemeal exploitation of a shared resource destroys its value while the costs of exploitation are externalized substantially or entirely—a classic commons problem. See generally Jessica Litman, *The Public Domain*, 39 Emory L.J. 965 (1990) (discussing how the concept of a commons problem applies to the public domain for information products). The *Eldred* plaintiffs, following Litman, *supra*, argued that the public trust doctrine should protect the "information commons" as well. See Pls.' 2d Am. Compl., *supra* note , at ¶¶ 69-70. Adopting a literal reading of the public trust doctrine, the *Eldred* court held that "[i]nsofar as the public trust doctrine applies to navigable waters and not copyrights, the retroactive extension of copyright protection does not violate the public trust doctrine." *Eldred*, 74 F. Supp. 2d at 4.

[108](#) *Eldred*, 74 F. Supp. 2d at 3.

[109](#) Compare, e.g., Lawrence Lessig, *The Law of the Horse: What Cyberlaw Might Teach*, 113 Harv. L. Rev. 501 (1999) (asserting that the contours of intellectual property rights should be defined in reference to First Amendment concerns); Melville B. Nimmer, *Does Copyright Abridge the First Amendment Guarantees of Free Speech and Press?*, 17 UCLA L. Rev. 1180, 1197-98 (1970) (arguing that the First Amendment would protect reprinting of photographs of the My Lai massacre even if barred by copyright law).

[110](#) See *Triangle Publications, Inc. v. Knight-Ridder Newspapers, Inc.*, 626 F.2d 1171, 1184 (5th Cir. 1980) (Tate, J., concurring) (asserting that "under limited circumstances, a First Amendment privilege may, and should exist where utilization of the copyrighted expression is necessary for the purpose of conveying thoughts or expressions"). See also, e.g., *Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1171 (9th Cir. 1977) ("There may be... instances when first amendment considerations will operate to limit copyright protection for graphic expressions of newsworthy events."); *Wainwright Sec. Inc. v. Wall St. Transcript Corp.*, 558 F.2d 91, 95 (2d Cir. 1977) ("Some [situations] may require courts to distinguish between the doctrine of fair use and 'an emerging constitutional limitation on copyright contained in the first amendment.'") (citations omitted; emphasis added).

[111](#) The complaint states, "The CTEA restricts plaintiffs' speech. But for the CTEA, plaintiffs could, without threat of legal punishment, publish works originally copyrighted in 1923.... If the CTEA stands, plaintiffs can only publish such works with the permission of the copyright holder." Pls.' 2d Am. Compl. at ¶ 77.

[112](#) See *id.* at ¶78-80. See also Yochai Benkler, *Free as the Air to Common Use: First Amendment Constraints on Enclosure of the Public Domain*, 74 N.Y.U. L. Rev. 354, 354-55 (1999).

[113](#) Hannibal Travis, Note, *Pirates of the Information Infrastructure: Blackstonian Copyright and the First Amendment*, 15 Berkeley Tech. L.J. 777, 845 (2000).

[114](#) See Pls.' 2d Amended Compl., *supra* note , at ¶ 77-79.

[115](#) Benkler, *supra* note , at 365.

[116](#) *Id.*

[117](#) U.S. Const. amend. I; Benkler, *supra* note , at 365.

[118](#) See Pls.' 2d Am. Compl., *supra* note , at ¶ 80.

[119](#) Pls.' 2d Amended Compl., *supra* note , at ¶ 79 (citing *Turner Broadcasting Systems v. FCC*, 520 U.S. 180, 189 (1997)).

[120](#) 376 U.S. 254 (1964).

[121](#) 395 U.S. 367 (1969).

[122](#) 334 U.S. 1 (1948).

[123](#) See Sullivan, 376 U.S. at 256.

[124](#) See *id.*

[125](#) See *id.* at 269 (stating that libel laws, like laws governing speech restrictions for incitement to criminal acts, insurrection, contempt, breach of the peace, and obscenity, must conform to First Amendment requirements that such restrictions serve an important government interest and restrict the minimum amount of speech necessary).

[126](#) *Id.* at 279.

[127](#) See *id.* at 269 (Note, however, that Sullivan was a public official. Although he sued in his private capacity, the Court distinguished between the higher First Amendment standard for libel laws concerning public officials and the lower standard for libel laws concerning private individuals. The Court carved a wider sphere of protection for potentially libelous statements directed at public officials in order to minimize any chilling effect on public political discourse.).

[128](#) *Id.* at 270.

[129](#) *Red Lion*, 395 U.S. at 390 (citations omitted; emphasis added).

[130](#) See Benkler, *supra* note , at 368-69.

[131](#) See *id.*

[132](#) 334 U.S. 1 (1948).

[133](#) *Id.* at 6.

[134](#) *Id.* at 20-21.

[135](#) 512 U.S. 622, 685 (O'Connor, J., dissenting).

[136](#) See Travis, *supra* note , at 850. See also 1 Melville Nimmer & David Nimmer, Nimmer on Copyright § 1.10[A], at 69 (1998) ("Rather surprisingly, up to now the Supreme Court of the United States has not found it necessary fully to delineate the respective claims of copyright and freedom of speech.").

[137](#) *Turner Broad. Sys., Inc. v. FCC*, 520 U.S. 180, 189 (emphasis added).

[| Home |](#) [Volume 3, 2000 |](#) [Volume 2, 2000 |](#) [Volume 1, 1999 |](#)

© 1999-2000, Yale Law and Technology Society